

SECTION 11 - ASSIGNEE'S LEGAL QUALIFICATIONS (Page 3)

RADIO APPLICANTS ONLY NEED TO RESPOND TO QUESTIONS 5, 6 AND 7.

5. Does the applicant, or any party to the application, own, or have an attributable interest in: (a) any AM, FM or TV station; or (b) a daily newspaper in the same market(s) as the station(s) being acquired?

☐ Yes ☒ No

6. Does the applicant, or any party to the application, broker more than 15 percent of the broadcast hours per week of any AM or FM station in a market in which the applicant, or party to the application, has an attributable interest in any AM or FM station? See 47 C.F.R. Section 73.3555(a) for definition of "radio market."

☐ Yes ☒ No

If the answer to 5 or 6 is Yes, set forth in an Exhibit, name of party having interest; nature of the interest; call letters and location of stations involved; and identification of newspaper, where applicable.

Exhibit No.
DNA

7. Does the principal community service contour (predicted or measured 5 mV/m groundwave contour for AM; predicted 3.16 mV/m contour for FM) of any AM or FM station being acquired overlap the principal community service contour of:

(a) an AM or FM station which is directly or indirectly owned, operated or controlled by the applicant or any party to the application; or

☐ Yes ☒ No

(b) an AM or FM station at which more than 15 percent of the broadcast time per week is brokered by the applicant or any party to the application?

☐ Yes ☒ No

If the answer to (a) or (b) is Yes, do you certify that the ownership interests which will result from grant of the application(s) comply with 47 C.F.R. Section 73.3555(a), or that appropriate waivers of that section are herein sought?

☐ Yes ☐ No
DNA

If Yes, attach a separate Exhibit containing the market and audience information necessary to demonstrate compliance.

Exhibit No.
DNA

Note: With reference to the Radio Contour Overlap Rule of 47 C.F.R. Section 73.3555(a), the applicant's Exhibit must include: (i) a map that clearly identifies, by relevant contours, the location and geographic coverage of the market or markets involved; (ii) the number of commercial AM and FM stations counted as being in the market or markets, including a map that shows the principal community contours of the stations that define the market or markets and the principal community contours of all commercial stations intersecting with the principal community contours of these stations; (iii) for markets with 15 or more commercial radio stations, a combined audience share figure, the basis and/or source material for this figure, and the results and qualification of any commissioned audience survey or alternative showing used; and (iv) the call letters and locations of all stations in the market or markets that are, or are proposed to be, commonly owned, operated or controlled, including any AM or FM station in the market for which the applicant or any party to the application brokers more than 15 percent of that station's broadcast time per week.

8. Does the applicant, or any party to the application, have:

(a) a petition pending to migrate to the expanded band (1605-1705 kHz)?

☐ Yes ☒ No

(b) a permit or license in either the existing band (535-1605 kHz) or expanded band (1605-1705 kHz) that is held in combination with the station(s) proposed to be sold?

☐ Yes ☒ No

If Yes, provide particulars as an Exhibit.

Exhibit No.
DNA

SECTION II - ASSIGNEE'S LEGAL QUALIFICATIONS (Page 4)

9. Does the applicant or any party to this application have any interest in or connection with a broadcast application pending before the FCC?

☐ Yes ☒ No

10. Has the applicant or any party to this application had any interest in or connection with the following:

(a) an application which has been dismissed with prejudice by the Commission?

☐ Yes ☒ No

(b) an application which has been denied by the Commission?

☐ Yes ☒ No

(c) a broadcast station, the license of which has been revoked?

☐ Yes ☒ No

(d) an application in any Commission proceeding which left unresolved character issues against the applicant?

☐ Yes ☒ No

If the answer to any of the questions in 9 or 10 is Yes, state in an Exhibit the following information:

Exhibit No.
DNA

(1) Name of party having interest;

(2) Nature of interest or connection, giving dates;

(3) Call letters of stations or file number of application or docket; and

(4) Location.

11. (a) Are any of the parties to this application related (as husband, wife, father, mother, brother, sister, son or daughter) either to each other or to individuals holding nonattributable interests of 5% or more in the applicant?

☐ Yes ☒ No

(b) Does any member of the immediate family (i.e., husband, wife, father, mother, brother, sister, son or daughter) of any party to this application have any interest in or connection with any other broadcast station, pending broadcast application, newspaper in the same area (see 47 C.F.R. Section 73.3555(c)) or, in the case of a television station applicant only, a cable television system in the same area (see 47 C.F.R. Section 76.501(a))?

☐ Yes ☒ No

If the answer to (a) or (b) above is Yes, attach as an Exhibit a full disclosure concerning the persons involved, their relationship, the nature and extent of such interest or connection, the file number of such application, and the location of such station or proposed station.

Exhibit No.
DNA

12. (a) Do individuals or entities holding nonattributable interests of 5% or more in the applicant have an attributable ownership interest or corporate officership or directorship in a broadcast station, newspaper or CATV system in the same area? (See Instruction B to Section II.)

☐ Yes ☒ No

(b) Does any member of the immediate family (i.e., husband, wife, father, mother, brother, sister, son or daughter) of an individual holding a nonattributable interest of 5% or more in the applicant have any interest in or connection with any other broadcast station, pending broadcast application, newspaper in the same area (see 47 C.F.R. Section 73.3555(c)) or, in the case of a television station applicant only, a cable television system in the same area (see 47 C.F.R. Section 76.501(a))?

☐ Yes ☒ No

If the answer to (a) and/or (b) above is Yes, attach as an Exhibit a full disclosure concerning the persons involved, their relationship, the nature and extent of such interest or connection, the file number of such application, and the location of such station or proposed station.

Exhibit No.
DNA

SECTION 11 - ASSIGNEE'S LEGAL QUALIFICATIONS (Page 5)

13. (a) Is the applicant in violation of the provisions of Section 310 of the Communications Act of 1934, as amended, relating to interests of aliens and foreign governments? (See Instruction C to Section 11.)

☐ Yes ☒ No

(b) Will any funds, credits or other financial assistance for the construction, purchase or operation of the station(s) be provided by aliens, foreign entities, domestic entities controlled by aliens, or their agents?

☐ Yes ☒ No

If the answer to (b) above is Yes, attach as an Exhibit a full disclosure concerning this assistance.

Exhibit No.
DNA

14. (a) Has an adverse finding been made or an adverse final action been taken by any court or administrative body with respect to the applicant or parties to this application in a civil or criminal proceeding, brought under the provisions of any law related to the following: any felony; mass media related antitrust or unfair competition; fraudulent statements to another governmental unit; or discrimination?

☐ Yes ☒ No

(b) Is there now pending in any court or administrative body any proceeding involving any of the matters referred to in (a) above?

☐ Yes ☒ No

If the answer to (a) and/or (b) above is Yes, attach as an Exhibit a full disclosure concerning the persons and matters involved, including an identification of the court or administrative body and the proceeding (by dates and file numbers), a statement of the facts upon which the proceeding is or was based or the nature of the offense alleged or committed, and a description of the current status or disposition of the matter.

Exhibit No.
DNA

15. Are there any documents, instruments, contracts or understandings relating to ownership or future ownership rights (including, but not limited to, non-voting stock interests, beneficial stock ownership interests, options, warrants, debentures)?

☐ Yes ☒ No

If Yes, provide particulars in an Exhibit.

Exhibit No.
DNA

16. Do documents, instruments, agreements or understandings for the pledge of stock of a corporate applicant, as security for loans or contractual performance, provide that (a) voting rights will remain with the applicant, even in the event of default on the obligation; (b) in the event of default, there will be either a private or public sale of the stock; and (c) prior to the exercise of stockholder rights by the purchaser at such sale, the prior consent of the Commission (pursuant to 47 U.S.C. Section 310(d)) will be obtained?

☒ Yes ☐ No
☐ Does Not Apply

STOCK PLEDGE
AGREEMENT IS
ATTACHED AS
EXHIBIT 4

If No, attach as an Exhibit a full explanation.

Exhibit No.
DNA

SECTION III - ASSIGNEE'S FINANCIAL QUALIFICATIONS

The applicant certifies that sufficient net liquid assets are on hand or are available from committed resources to consummate the transaction and operate the facilities for three months.

☒ Yes ☐ No

SECTION IV - ASSIGNEE'S PROGRAM SERVICE STATEMENT

Attach as an Exhibit a brief description, in narrative form, of the planned programming service relating to the issues of public concern facing the proposed service area.

Exhibit No.
3

SECTION V - ASSIGNEE'S EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

Does the applicant propose to employ five or more fulltime employees?

☐ Yes ☒ No

If the answer is Yes, the applicant must include an EEO program called for in the separate Model EEO Program Report (FCC Form 396-A).

SECTION VI - CERTIFICATION

Part I - Assignor

1. Has or will the assignor comply with the public notice requirement of 47 C.F.R. Section 73.3580?

☒ Yes ☐ No

2. By checking Yes, the applicant certifies that, in the case of an individual applicant, he or she is not subject to a denial of federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. Section 862, or, in the case of a non-individual applicant (e.g., corporation, partnership or other unincorporated association), no party to the application is subject to a denial of federal benefits that includes FCC benefits pursuant to that section. For the definition of a "party" for these purposes, see 47 C.F.R. Section 1.2002(b).

☒ Yes ☐ No

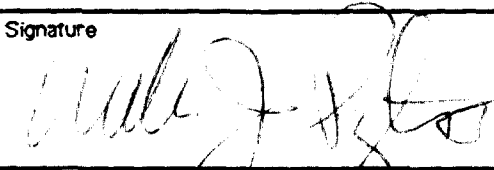
The ASSIGNOR acknowledges that all its statements made in this application and attached exhibits are considered material representations, and that all of its exhibits are a material part hereof and are incorporated herein.

The ASSIGNOR represents that this application is not filed by it for the purpose of impeding, obstructing, or delaying determination on any other application with which it may be in conflict.

In accordance with 47 C.F.R. Section 1.65, the ASSIGNOR has a continuing obligation to advise the Commission, through amendments, of any substantial and significant changes in the information furnished.

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE, TITLE 18, SECTION 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. CODE, TITLE 47, SECTION 312(a)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, SECTION 503).

I certify that the ASSIGNOR'S statements in this application are true, complete, and correct to the best of my knowledge and belief, and are made in good faith.

Name of Assignor CAROLINA COMMUNICATIONS	Signature 
Title GENERAL PARTNER	Date AUGUST 7, 1994

SECTION VI - CERTIFICATION (Page 2)

Part II - Assignee

By checking Yes, the applicant certifies that, in the case of an individual applicant, he or she is not ☒ Yes ☐ No subject to a denial of federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. Section 862, or, in the case of a non-individual applicant (e.g., corporation, partnership or other unincorporated association), no party to the application is subject to a denial of federal benefits that includes FCC benefits pursuant to that section. For the definition of a "party" for these purposes, see 47 C.F.R. Section 1.2002(b).

The ASSIGNEE hereby waives any claim to the use of any particular frequency as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise, and requests an authorization in accordance with this application. (See Section 304 of the Communications Act of 1934, as amended.)


The ASSIGNEE acknowledges that all its statements made in this application and attached exhibits are considered material representations, and that all its exhibits are a material part hereof and are incorporated herein.

The ASSIGNEE represents that this application is not filed by it for the purpose of impeding, obstructing or delaying determination on any other application with which it may be in conflict.

In accordance with 47 C.F.R. Section 1.65, the ASSIGNEE has a continuing obligation to advise the Commission, through amendments, of any substantial and significant changes in the information furnished.

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE, TITLE 18, SECTION 1001), AND/OR REVOCATION OF ANY STATION LICENSE OF CONSTRUCTION PERMIT (U.S. CODE, TITLE 47, SECTION 312(a)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, SECTION 503).

I certify that the ASSIGNEE'S statements in this application are true, complete, and correct to the best of my knowledge and belief, and are made in good faith.

Name of Assignee AJI BROADCASTING, INC.	Signature 
Title PRESIDENT	Date AUGUST 7, 1994

FCC NOTICE TO INDIVIDUALS REQUIRED BY THE PRIVACY ACT AND THE PAPERWORK REDUCTION ACT

The solicitation of personal information requested in this application is authorized by the Communications Act of 1934, as amended. The Commission will use this information to determine whether grant of this application is in the public interest. In reaching that determination, or for law enforcement purposes, it may become necessary to refer personal information contained in this form to another government agency. In addition, all information provided in this form will be available for public inspection. If information requested on the form is not provided, processing of the application may be delayed or the application may be returned without action pursuant to the Commission's rules. Your response is required to obtain the requested authority.

THE FOREGOING NOTICE IS REQUIRED BY THE PRIVACY ACT OF 1974, P.L. 93-579, DECEMBER 31, 1974, 5 U.S.C. 552(e)(3) AND THE PAPERWORK REDUCTION ACT, P.L. 96-511, DECEMBER 11, 1980, 44 U.S.C. 3507.

Exhibit 1

Asset Sales Agreement

RADIO STATION ASSET SALES AGREEMENT

THIS ASSET SALES AGREEMENT (hereinafter referred to as the "Agreement") is made and entered into this 29 day of July, 1994, by and between CAROLINA COMMUNICATIONS, a South Carolina partnership (hereinafter referred to as "Seller"), and AJI BROADCASTING, INC., of Whiteville, North Carolina (hereinafter referred to as "Buyer"):

W I T N E S S E T H:

WHEREAS, Seller is the sole holder of a license from the Federal Communications Commission (hereinafter referred to as the "Commission" or "FCC") authorizing the operation of FM Broadcast Station KRBG(FM) on the frequency 94.9 MHz full-time, at Canadian, Texas (hereinafter referred to as "Station"); and

WHEREAS, Seller desires to sell and Buyer desires to purchase all the assets (hereinafter referred to as "Assets"), except cash on hand, used or useful in the operation of the Station and to obtain assignments of all leases, contracts, and agreements and of the license issued by the Commission; and

WHEREAS, the assignment of the license of the station is subject to the prior approval of the Commission;

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the Seller and Buyer, intending to be legally bound, do hereby mutually agree as follows:

0.0 Defined terms. Unless otherwise stated in this Agreement, the following terms shall have the following meanings:

0.1 "Assignment Application" refers to the application which the Seller and Buyer will join in and file with the Commission requesting its unconditional written consent to the assignment of the FCC license from the Seller to Buyer.

0.2 "Final Order" means action by the Commission or its delegated authority granting its consent and approval to the Assignment Application, which action is not reversed, stayed, enjoined, or set aside, and with respect to which no timely requests for stay, reconsideration, review, rehearing or a notice of appeal is pending, and as to which the time for filing any such request, petition or notice of appeal, or for review by the FCC on its own motion, has expired.

0.3 "Closing Date" means as soon as expeditiously possible but within thirty (30) days following the date on which the grant of the Assignment Application shall have become a Final Order, or such other time as the parties may mutually agree to in writing.

0.4 "Closing Place" means the studios of FM Station WSTS at Fairmont, North Carolina, or such other place as the parties may mutually agree to in writing.

0.5 "Closing" means completion of all transactions as set forth in this Agreement in order to create finality.

0.6 "Immediately Available Funds" means cash, cashier's check or electronic funds transfer when receipt thereof is confirmed by Seller's bank.

0.7 "Station" means Radio Station KRBG(FM), Canadian, Texas, as an operating business.

0.8 "Schedule Volume" refers to a schedule of the following items of the Seller:

a. all tangible personal property and real property (Schedule 1(b));

b. all contracts, leases and agreements that Buyer agrees to assume, with copies thereof (Schedule 1(c));

c. copyrights, trademarks, trade names and service marks (Schedule 1(d));

d. Allocation Schedule (Schedule 2(b)); and

e. Prorations (Schedule 8);

all of which are required to be furnished to Buyer by Seller hereunder, or are referred to hereunder, which have been bound in a separate volume and initialed by the parties.

1. Assets to be Conveyed. Subject to the terms and conditions hereinafter set forth, Seller shall sell, transfer, assign and deliver to Buyer, and Buyer will purchase from Seller on the Closing Date (as hereinabove defined) as follows:

a. The FCC License issued to or held by Seller from the Commission permitting the operation of the Station subject to Commission approval as hereinafter provided;

b. The FCC construction permit outlining station operation on Channel 235 (94.9 MHz) with Class C1 facilities;

c. All of the fixed and tangible assets whether real, personal, or mixed (except cash on hand) used or useful in the

operation of the Station as listed on Schedule 1(b) attached hereto, and any additions thereto or substitutions therefor, consisting of the property used or useful in the operation of the Station in the normal course of business, including but not limited to broadcast equipment, furniture, office equipment, supplies and relevant business records. Said assets shall be conveyed free and clear of any and all liens, claims, encumbrances and security instruments, except for those obligations assumed by Buyer;

d. The leases, contracts and agreements, listed in Schedule 1(c) attached hereto, which shall be in full force and effect on the Closing Date, as to which Buyer assumes all obligations of Seller following the Closing Date;

e. All right, title and interest of Seller in and to the use of the call letters KRBG, and any and all copyrights, trademarks and trade names, promotional materials, logos, TV commercials and related materials used or useful in the operation of the Station listed on Schedule 1(d) attached hereto;

f. All other permits, licenses or authorizations, if any, issued by any regulatory agency which are used or useful in the operation of the Station;

g. All items in Seller's possession in the Station's FCC Public Inspection File and all business and government records relating to the operation of the Station, excluding tax returns and other records pertaining to Seller's corporate affairs;

h. All time sales arrangements in effect on the Closing Date which are for cash or trade at rates consistent with the

normal and customary practices of the Station for the periods in question, which Buyer agrees to assume and perform for the period following the Closing.

2. Purchase Price. The Purchase Price for all the Assets described in Section 1 of this Agreement shall be ONE HUNDRED THOUSAND (\$100,000.00) DOLLARS which shall be paid by Buyer to Seller as follows:

a. At the Closing, Buyer shall execute and deliver to Seller a Promissory Note ("Note") in the amount of ONE HUNDRED THOUSAND (\$100,00.00) DOLLARS, which shall bear no interest, and shall be payable in full within one hundred eighty (180) days. The Note shall be secured by a Stock Pledge Agreement.

b. Buyer and Seller shall on or prior to the Closing Date execute a document in the form of attached Schedule 2(b) allocating the Purchase Price for federal tax purposes. Seller and Buyer agree that the allocation of the Purchase Price among the various types and classes of assets set forth in Schedule 2(b) shall be the allocation used and reported by each party in all filings, reports and returns made by them to any governmental agency, official or department concerning this transaction. Buyer and Seller agree: (a) to jointly complete and separately file Form 8594 with their respective federal income tax returns for the year in which the Closing occurs in a manner consistent with this allocation; and that (b) neither Buyer nor Seller will take a position on any income, transfer or capital gains tax return before any governmental agency charged with the collection of any such tax

or in any judicial proceeding that is in any manner inconsistent with the terms of such allocation.

3. Seller's Warranties and Representations. Seller hereby makes the following warranties and representation, each of which shall be deemed a separate covenant to Buyer:

a. Title to Assets. Seller will convey to Buyer all the fixed and tangible assets free and clear of all liens and encumbrances, except for those obligations Buyer will assume. Seller and Buyer shall equally divide each party's share of intangible and transfer taxes.

b. Leases, Contracts, Etc. The leases, contracts and agreements listed in Schedule 1(c) and to be assigned to Buyer hereunder are freely assignable, or, if consent of the contracting party to the assignment is required, Seller will obtain said consent prior to Closing;

c. Power to Convey. On the Closing Date, Seller will be the owner and will be empowered to transfer to Buyer all the fixed and tangible assets used or useful in the operation of Station as listed in Schedule 1(b) attached hereto;

d. Broker's Fees. Seller has not incurred any liability for brokerage fees, finders' fees, agents' commissions or other similar forms of compensation in connection with this Agreement or any transaction contemplated hereby;

e. Truthful Warranties. The representations and warranties of Seller herein, or in any exhibit, schedule certificate, or other document given pursuant hereto, do not

contain an untrue statement of a material fact or do not omit a material fact which would make any statement contained herein or therein misleading.

4. Buyer's Warranties and Representations. Buyer hereby makes the following warranties and representations, each of which shall be deemed a separate covenant to Seller:

a. Organization. Buyer is now and at Closing will be a corporation duly organized, validly existing and in good standing in the State of North Carolina. At Closing, Buyer will be qualified and licensed to do business under the laws of North Carolina, and to operate the Station under the laws of North Carolina, and under the rules and regulations of the Commission;

b. Filing of Documents. Between the date hereof and Closing Date, Buyer shall timely file with the Commission all applications, reports, and other documents required by the Commission to be filed;

c. Post-Closing Charges. Buyer will be solely responsible for and shall either pay or make provision which shall be satisfactory to Seller for all debts, taxes or impositions imposed or arising by reason of Buyer's operation of the Station after the Closing Date, and Buyer shall indemnify and hold harmless Seller from any and all such charges;

d. Power to Purchase. The execution and performance of this Agreement and the compliance with its provisions by Buyer on the Closing Date will not conflict with, or result in any breach of Buyer's Articles of Incorporation, By-Laws or of any of the terms,

conditions or provisions of any agreement, indenture, mortgage, or other instrument to which Buyer is a party or by which it is bound;

e. Obligations. Buyer will assume all obligations for all debts, taxes or impositions imposed or arising by reason of Seller's ownership and operation of the Station and Assets. Any debts which are liens against the Assets shall be assumed by Buyer. Buyer will assume and perform promptly when due the leases, contracts, and all other obligations to be transferred to and assumed by Buyer hereunder;

f. Licensee Qualifications. Buyer represents that it is, and at the Closing Date it shall be, legally and financially qualified under rules, regulations and policies established by the Commission to become a licensee of Radio Station KRBG. Buyer knows of no reason why the FCC would not approve the application for assignment of license of the Station contemplated by this Agreement;

g. Broker's Fees. Buyer has not incurred any liability for brokerage fees, finders' fees, agents' commissions or other similar forms of compensation in connection with this Agreement or any transaction contemplated hereby;

h. Truthful Warranties. The representations and warranties of Buyer herein, or in any exhibit, schedule certificate, or other document given pursuant hereto, do not contain an untrue statement of a material fact or do not omit a material fact which would make any statement contained herein or therein misleading.

i. Litigation. There is no litigation, proceeding or governmental investigation pending or, to the knowledge of Buyer, threatened in any court, arbitration board, administrative agency or tribunal against or relating to Buyer that would prevent or materially impede the consummation of this Agreement by Buyer, nor does Buyer know of, or have any reasonable grounds to know of, in view of its present situation or action it now contemplates taking, any basis for such litigation, proceeding or investigation, and the execution and performance of this Agreement by Buyer will not result in the default by Buyer in respect of any judgment, order, writ, injunction, decree, rule or regulation of any applicable court or administrative agency which could have a material adverse effect on the operation of Station or its assets.

5. Conditions to Buyer's Obligations. The obligation of Buyer to consummate this Agreement is subject to the satisfaction on or prior to the Closing Date of each of the following conditions:

a. Seller shall deliver or cause to be delivered to Buyer the instruments of conveyance and transfer described in this Agreement;

b. The Commission's Order granting the Assignment Application shall have become a Final Order within the meaning of Section 1.117 of the Commission's Rules [Title 47 C.F.R., Section 1.117]; except Buyer and Seller, by mutual agreement, may waive this requirement and close the sale of the Station prior to the

time the Commission's Order becomes final within the meaning of Section 1.117 of the Rules;

c. Seller shall deliver to Buyer on the Closing Date a copy of each instrument of authorization for the operation of the Station, which instruments shall contain no materially adverse condition or restriction, and under which instruments, the Commission's rule shall permit the operation of the Station;

d. The consent and approval of the Commission to this Agreement and the transfers and assignments called for hereunder shall have been obtained pursuant to Section 7 hereof;

e. The representations and warranties made by Seller shall be true and correct in all material respects at and as of the Closing Date as though such representations and warranties had been made at and as of the Closing Date;

f. Seller shall have performed and complied, in all material respects, with all agreements and conditions required by this Agreement to be executed, performed or complied with by Seller prior to or at the Closing Date;

6. Conditions to Seller's Obligations. The obligation of Seller to consummate this Agreement is subject to the satisfaction on or prior to the Closing Date, of each of the following conditions:

a. The representations and warranties made by Buyer shall be true and correct and in all material respects at and as of the Closing Date as though such representations and warranties had been made at and as of the Closing Date;

b. Buyer shall have performed and complied, in all material respects, with all agreements and conditions required by this Agreement to be executed, performed or complied with by Buyer prior to or at the Closing Date;

c. There shall not be any litigation or proceeding to restrain Seller's or Buyer's performance of or invalidate the transactions contemplated by this Agreement that has not been resolved favorably. No proceedings shall have been instituted or be threatened against Buyer for the protection of creditors or otherwise for the relief of Buyer as a debtor that has not been resolved favorably to this Agreement;

d. The FCC shall have released a Final Order granting the Assignment Application;

e. Buyer shall have delivered the Promissory Note to Seller in accordance with provisions of Section 2 of this Agreement;

f. Buyer shall have delivered to Seller an instrument evidencing assumption of the Station's obligations.

7. Application for FCC Approval.

a. Buyer and Seller will each, using their respective best efforts and diligent cooperation, take all steps necessary to cause to be prepared and filed with the FCC the joint Assignment Application complete in all material respects, in such a timely manner that the transactions herein contemplated will not be delayed, such application in any event to be filed no later than ten (10) business days following the date hereof, unless the

parties agree otherwise in writing, and Buyer and Seller will thereafter take all steps necessary to the expeditious prosecution of such application to a favorable conclusion. Both parties agree that they shall promptly and timely file any amendments necessary to obtain a grant of the application and/or other information reasonably requested by the FCC. Neither Buyer nor Seller will voluntarily seek to amend the Assignment Application without first obtaining written permission from the party not seeking to amend;

b. Each party to the Assignment Application will bear its own expense in connection with the preparation of the applicable portions of such Assignment Application. The FCC filing fees shall be paid by the Buyer. Buyer shall transmit to Seller's counsel, along with its respective portion of the Assignment Application, a check payable to the Federal Communications Commission in the amount of \$565.00 in payment of the filing fee. Seller will timely make the broadcast notices on WRIT required by the FCC Rules and Regulations with respect to the Assignment Application [See Title 47 C.F.R., Section 73.3580.] Buyer will timely furnish to Seller's counsel the necessary information about the Buyer required to be contained in such notices;

c. In the event that an order or the FCC consenting to the assignment and transfer of the license of Station from Seller to Buyer shall not have been issued within 180 days following the date on which the Assignment Application is tendered for filing with the FCC, then this Agreement may be terminated by either party on five (5) days' written notice to the other.

8. Termination.

a. This Agreement may be terminated at any time prior to the Closing Date;

(1) By written agreement between Buyer and Seller;
or

(2) In accordance with the provisions of Sections 7(c) and 11 herein.

9. Fees. Buyer and Seller will indemnify and save each other harmless from any claims or causes of action for brokers' or finders' fees.

10. Risk of Loss. If the Assets to be sold hereunder should be damaged or destroyed beyond repair by fire or other casualty prior to the Closing Date (a "Loss"), Buyer shall have the right to terminate this Agreement immediately. If the property, improvements or equipment to be assigned hereunder should be damaged or destroyed, but not beyond repair by fire or other casualty prior to Closing Date, Seller, at its own expense, shall repair or replace such damage or restore all of said property and equipment to a condition equivalent to that prior to the damage, in which event the Closing Date shall be extended until such repairs and replacements are completed, but in no event to exceed NINETY (90) days; provided Seller shall have no obligation hereunder to make repairs or replacements, the cost of which shall exceed the total amount of the replacement value of the assets destroyed. Alternatively, if Seller has obtained before incurring a Loss, liability damage or other insurance fully insuring the Loss, Seller

shall assign all of such insurance proceeds to the Buyer on the Closing Date (or if Seller has commenced the repair or replacement of the Loss, Seller shall be required to only assign such insurance proceeds as are necessary to fully repair or replace the Loss). If such repairs or replacements are not completed within Ninety (90) days after the date of the occurrence of such damage or destruction, or Seller is unable to assign any insurance proceeds as are necessary to fully repair or replace the Loss as set forth herein, Buyer shall have the option to terminate this contract from and after the end of the ninetieth (90th) day. In the event the property or equipment cannot be completely restored or replaced within the effective period of the Commission's consent to assignment, the parties shall join in an application or applications requesting the Commission to extend the effective period of its consent until such time as normal or usual broadcast transmission is restored. However, nothing in this Section 11 shall require Buyer or Seller to extend this Agreement beyond the termination date specified in Section 7(c) hereof.

11. Instruments of Conveyance and Transfer and Execution.

a. At the Closing Place on the Closing Date Seller shall deliver to Buyer:

- (1) Bills of Sale and other instruments of assignment, conveyance and transfer, covering all of the assets of Seller (listed in Schedule 1(b)) to be transferred hereunder;

- (2) Assignments of all Seller's leases, contracts and agreements (listed in Schedule 1(c));
- (3) Assignment of the license;
- (4) Assignment of the records described in Section 1(f) hereof; and
- (5) Such other documents or things as Buyer may reasonably request in order to place Buyer in actual possession and operating control of the Assets to be transferred.

b. At the Closing Place on the Closing Date, Buyer shall deliver the following documents and things:

- (1) Buyer shall deliver to Seller the Note;
- (2) Buyer shall deliver to Seller the Stock Pledge Agreement and Unconditional Guaranty Agreement; and
- (3) Buyer shall deliver to Seller an instrument of assumption evidencing Buyer's assumption of the obligations under all of Seller's leases, contracts and agreements listed in Schedule 1(c) of this Agreement.

12. Assignment. This Agreement may be assigned by Buyer, or the assignee of Buyer, to an entity in which the principals of Buyer are equity participants, so long as said assignee assumes all the obligations of Buyer under this Agreement, and no such assignment would require the FCC to assign the Assignment Application a new FCC file number.

13. Notices. All necessary notices, demands and requests shall be deemed duly given, if mailed by registered mail, postage prepaid, and addressed to the following:

If to the Seller:

Carolina Communications
Post Office Box 2506
Pawleys Island, SC 29585

and

If to Buyer:

AJI Broadcasting, Inc.
Rte 1, Box 57-A
Whiteville, NC 28472

14. Miscellaneous.

a. This Agreement and Schedule Volume, attached hereto, contain the entire agreement of the parties with respect to the transactions contemplated and supersedes all prior negotiations between the parties concerning the subject matter contained herein. No change, modification or waiver of any provision hereof will be valid unless in writing and signed by the party to be bound;

b. No delay or failure on the part of either party in exercising any rights hereunder, and no partial or single exercise thereof, will constitute a waiver of such rights or of any other rights hereunder;

c. This Agreement will be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective assigns and successors.

d. This Agreement shall be governed, construed and enforced in accordance with the laws of the State of South Carolina.

e. The headings of the sections of this Agreement are inserted as a matter of convenience and for reference purposes only, and in no respect define, limit, or otherwise describe the scope of this Agreement or the intent of any section hereof.

f. This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were upon the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first written above.

SELLER:

CAROLINA COMMUNICATIONS

BY: 

William J. Pennington, III
General Partner

BUYER:

AJI BROADCASTING, INC.

BY: 

Jack Inman, President

Schedule Volumes to be provided at Closing.

Exhibit 1(a)

Promissory Note